

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE EASTERN DISTRICT OF VIRGINIA

3 Alexandria Division

4 Case No. 1:10-CV-189(GBL-TRJ)  
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6  
7 LION ASSOCIATES, LLC, )  
8 Plaintiff, )  
9 v. )  
10 SWIFTSHIPS SHIPBUILDERS, LLC, )  
11 Defendant. )  
12 )  
13  
14

15 DEPOSITION OF ADM JAMES A. LYONS, JR.

16 Washington, D.C.

17 September 1, 2010  
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20  
21  
22

23 Reported by:

24 Mary Ann Payonk, RDR-CRR, CBC, CCP

25 Job No. 32907

<p style="text-align: right;">Page 2</p> <p>1 2 3 4 5 September 1, 2010 6 10:03 a.m. 7 8 Deposition of ADM JAMES A. LYONS, JR., 9 held at the offices of Patton Boggs, 2550 M 10 Street, N.W., Washington, D.C. pursuant to 11 Notice before Mary Ann Payonk, Certified 12 Realtime Reporter and Notary Public of the 13 District of Columbia. 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>TSG Reporting - Worldwide 877-702-9580</p>	<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES: 2 ON BEHALF OF SWIFTSIPS SHIPBUILDERS, LLC 3 BENJAMIN G. CHEW, ESQUIRE 4 ANDREW ZIMMITTI, ESQUIRE 5 PATTON BOGGS LLP 6 2550 M Street, N.W. 7 Washington, D.C. 20037 8 (202) 457-6000 9 10 ON BEHALF OF LION ASSOCIATES, LLC: 11 A. WAYNE LALLE, ESQUIRE 12 LAUREN D. EADE, ESQUIRE 13 ELIZABETH FORBES, ESQUIRE 14 VENABLE LLP 15 8010 Towers Crescent Drive 16 Vienna, VA 22182 17 (703) 760-1608 18 19 ALSO PRESENT: 20 Rick Sanborn, Legal Video Specialist 21 22 23 24 25</p> <p>TSG Reporting - Worldwide 877-702-9580</p>
<p style="text-align: right;">Page 4</p> <p>1 J. Lyons 2 THE VIDEOGRAPHER: This is the 3 start of tape labeled number 1 of the 4 videotaped deposition of Admiral 5 James A. Lyons, Jr. in the matter of 6 LION Associates, LLC versus Swiftships 7 Shipbuilders, LLC filed in the 8 United States District Court for the 9 Eastern District of Virginia, Alexandria 10 Division, case number 1:10-CV-189. 11 This deposition is being held at 12 the offices of Patton Boggs, 13 2550 M Street, Northwest, Washington, 14 D.C. on September 1, 2010, at 15 approximately 10:03 a.m. 16 My name is Rick Sanborn from 17 TSG Reporting, Incorporated, and I am 18 the legal video specialist. The court 19 reporter is Mary Ann Payonk, also in 20 association with TSG Reporting. 21 Will counsel please introduce 22 themselves and state whom they 23 represent. 24 MR. CHEW: My name is Ben Chew, and 25 I represent defendant Swiftships</p> <p>TSG Reporting - Worldwide 877-702-9580</p>	<p style="text-align: right;">Page 5</p> <p>1 J. Lyons 2 Shipbuilders, LLC. 3 MR. ZIMMITTI: I'm Andrew Zimmitti, 4 and I also represent Swiftships 5 Shipbuilders, LLC. 6 MR. LALLE: My name is Wayne Lalle. 7 I represent Admiral Lyons and LIONS, 8 LLC. 9 MS. EADE: I'm Lauren Eade, I 10 represent LION Associates LLC and 11 Admiral Lyons. 12 MS. FORBES: Elizabeth Forbes, and 13 I represent LION Associates, LLC and 14 Admiral Lyons. 15 JAMES A. LYONS, JR., 16 called as a witness, having been duly 17 sworn, was examined and testified as 18 follows: 19 EXAMINATION 20 BY MR. CHEW: 21 <b>Q. Good morning, Admiral Lyons. Thank</b> 22 <b>you for coming here today.</b> 23 A. Yes, sir. 24 <b>Q. Since you are well represented by</b> 25 <b>excellent counsel, I will skip the usual</b></p> <p>TSG Reporting - Worldwide 877-702-9580</p>

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2 **anything, to make sure that Swiftships was**  
3 **living up to its contractual obligations?**4 A. I visited the facility, went through  
5 the entire facility, went through their  
6 35-meter boat that they had built, which was  
7 the model for the subsequent ones, looked at --  
8 went through the training program that they  
9 were setting up and felt comfortable they could  
10 meet their contractual obligations.11 **Q. And as we defined at the very**  
12 **beginning of the deposition, the Iraqi Navy**  
13 **contract actually refers to two contracts, one**  
14 **with NAVSEA and then a training contract;**  
15 **correct?**

16 A. Correct.

17 **Q. And the training contract was with**  
18 **NAVAIR, not NAVSEA; correct?**19 A. I don't recall exactly the details of  
20 that.21 **Q. Did you have any contacts with anyone**  
22 **at NAVAIR at any time?**23 A. Not that I recall. My contract was a  
24 natural flow from the basic contract. You had  
25 to have a training program for them to be able

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2 to operate the ships and maintain them. That  
3 was a natural outgrowth.4 **Q. So is it part of your claim that you**  
5 **were entitled in the -- that you were entitled**  
6 **to 3 percent of the value of the NAVAIR**  
7 **training contract?**

8 A. Correct.

9 **Q. Any other basis other than your**  
10 **testimony that it sprung naturally from the**  
11 **other part of the Iraqi Navy contract?**

12 A. Correct.

13 **Q. At any point in time, did you ever**  
14 **send Swiftships an invoice for 3 percent of the**  
15 **total amount of the Iraqi Navy contract?**

16 A. No.

17 **Q. Why not?**18 A. Because Calvin told me, quote, I'm  
19 going to give you a number you will like. And  
20 he said, I will call you and give you that  
21 number. We were supposed to have a meeting at  
22 the conclusion of the Iraqi Navy visit.  
23 Storm -- we had a serious storm come up, and we  
24 had to postpone the meeting.25 In the presence of a number of  
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2 people, including the chairman, Lutfi Hassan,  
3 Calvin said, quote, I'm going to give you a  
4 number you will like, and I will call you to  
5 give it to you.6 **Q. Okay.**

7 A. That was good enough for me.

8 **Q. Well, he told you that in November of**  
9 **2009; correct?**

10 A. Right.

11 **Q. Okay. Let me then --**

12 A. No, December.

13 **Q. December?**

14 A. December.

15 **Q. December?**

16 A. December.

17 **Q. Well, let me improve my question,**  
18 **then. You were working on the Iraqi Navy**  
19 **contract as early as mid April of 2009. You**  
20 **continued to work on it through fruition in**  
21 **September of 2009, and then, as you said, you**  
22 **testified that you worked to make sure that**  
23 **Swiftships was living up to its contractual**  
24 **obligations.**25 **During all that period of time,**

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2 **you -- your administrative assistant sent out**  
3 **monthly invoices for payment of the 7500;**  
4 **right?**

5 A. Correct.

6 **Q. And why did you then not -- before**  
7 **you'd received this assurance from Mr. LeLeux**  
8 **in December of 2009 about giving you a number**  
9 **you will like, why didn't you add the success**  
10 **fee at any time between April and December of**  
11 **2009?**

12 MR. LALLE: Objection, form.

13 A. I wanted to discuss it personally  
14 with Calvin, and we would come to agreement.15 **Q. So what was there to agree on?**

16 A. What the amount would be.

17 **Q. What would that depend on?**18 A. Depending on what he was offering. I  
19 could never get a number out of him.20 **Q. But you knew what the value of the**  
21 **contract was; correct?**22 A. Oh, I knew what the value of the  
23 contract was, yes.24 **Q. So what did it depend on if not a**  
25 **calculation of that number times .03?**

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